ORIGINAL



1

2

3

45

6

7

8

11

10

12

13 14

15

16 17

18

19

20

21

22

23

2425

26

27

28

BEFORE THE ARIZONA CORPORATION C

COMMISSIONERS RECEIVED

MIKE GLEASON - Chairman 7001 DEC -5 P 4: 38

WILLIAM A. MUNDELL JEFF HATCH-MILLER KRISTIN K. MAYES GARY PIERCE

AZ CORP COMMISSION DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

DEC 5 2007

DOCKETED BY



IN THE MATTER OF THE APPLICATION OF AERIE CONSERVANCY, AN ARIZONA NONPROFIT CORPORATION, FOR ADJUDICATION THAT IT IS NOT A PUBLIC SERVICE CORPORATION

DOCKET NO. W-04291A-04-0843 COMPLIANCE FILING

In Decision 67881 (June 1, 2005), the Arizona Corporation Commission ("Commission") ordered The Aerie Conservancy to file, within 24 months of the Decision date, documentation demonstrating its ownership of, and a copy of the Approval of Construction ("AOC") for: (i) the well, the 120,000-gallon storage tank and the booster pump comprising the backbone infrastructure for The Aerie; and (ii) the distribution infrastructure for lots 1,41 of The Aerie. (Decision 67881 at 11-12.) Upon The Aerie Conservancy's motion to extend this deadline, the Commission extended the deadline to December 31, 2007. (Procedural Order at 2, dated Aug. 6, 2007.)

In compliance with Decision 67881, The Aerie Conservancy previously filed on August 3, 2007 a copy of the AOC for the well, storage tank, and booster pump. In further compliance of Decision 67881, The Aerie Conservancy files the following: (1) a special warranty deed conveying all common area properties, which include the storage tank, well-site and booster pump properties, to The Aerie Conservancy, attached as Exhibit A, and (2) a copy of the Yavapai County AOC for the distribution infrastructure for lots 1-41 of The Aerie, attached as Exhibit B.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

DATED this 5th day of December, 2007.

SNELL & WILMER

Junen Jeffrey W. Crockett Marcie A. Shuman One Arizona Center 400 East Van Buren Phoenix, Arizona 85004-2202 Attorneys for The Aerie Conservancy

ORIGINAL and thirteen (13) copies filed with Docket Control this 5th day of December, 2007.

COPY of the foregoing hand-delivered this 5th day of December, 2007, to:

Brian Bozzo **Utilities Division** ARIZONA CORPORATION COMMISSION 1200 West Washington Street Phoenix, Arizona 85007

2079847.1

EXHIBIT A

When recorded, return to:

The Aerie Conservancy c/o Communities Southwest 7001 North Scottsdale Road, Suite 1015 Scottsdale, AZ 85253 Attn: Jay Pennypacker

THIS IS A CONFORMED COPY OF INSTRUMENT RECORDED ON DATE S

Exempt from Affidavit of Property Value per A.R.S. § 11-1134(A)(7).

SPECIAL WARRANTY DEED

For the consideration of Ten and 00/100 Dollars, and other valuable consideration, FIRST AMERICAN TITLE INSURANCE COMPANY, an California corporation, acting not in its corporate capacity but solely in its capacity as Trustee of its Trust No. 8594 ("Grantor"), does hereby convey to THE AERIE CONSERVANCY, an Arizona nonprofit corporation, the following described property situate in Yavapai County, Arizona (the "Property"):

> TRACTS A, B AND C as shown on the FINAL PLAT FOR "AERIE I" recorded November 17, 2005 in Book 55 of Maps and Plats, Page 34, records of Yavapai County, Arizona

SUBJECT TO: current taxes and assessments; patent reservations; all covenants, conditions, restrictions, reservations, rights, rights-of-way, easements, obligations and liabilities and other matters of record or to which reference is made in the public record; any and all conditions, shortages in area, overlaps, conflicts in boundary lines, easements, encroachments, rights-of way, rights or claims, or restrictions not shown by the public records which would be disclosed by a physical inspection, or which an accurate survey of the Property would reveal; unpatented mining claims; and the applicable zoning and use ordinances, regulations, zoning codes and the like of any municipality, county, state, or the United States affecting the Property as same now exist and as may hereafter be established or amended;

AND THE PROPERTY is subject to that certain Declaration of Covenants and Easements for The Aerie, recorded on November 17, 2005, as Document No. 3942881, Book 4335, Page 608, in the official records of Yavapai County, Arizona, together with any and all amendments and supplements thereto (the "Aerie CC&Rs"). The Aerie CC&Rs impose upon the Property certain covenants, conditions, restrictions, and easements running with the land and binding title to the Property and all owners of any portion thereof or interest therein, whether or not referenced in any future deed or instrument.

The Property is hereby designated as "Common Areas" under the Aerie CC&Rs.

Pursuant to Arizona Revised Statute Section 33-404, the names and addresses of the beneficiaries of Grantor are set forth on Exhibit "A" attached hereto. 2029290.1

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed as of the 17th, day of August, 2007.

GRANTOR:

FIRST AMERICAN TITLE INSURANCE

COMPANY, an California corporation, acting not in its corporate capacity but solely in its capacity as Trustee of its Trust No. 8594

Charlotte A. Knoll

STATE OF ARIZONA) ss. County of Maricopa

The foregoing instrument was acknowledged before me this 17th day of August, 2007, by Charlotte A. Knoll, Senior Trust Officer of First American Title Insurance Company, an California corporation, acting not in its corporate capacity but solely in its capacity as Trustee of its Trust No. 8594.

IN WITNESS WHEREOF, I hereunto set my hand and official seal

Marganto Marcia Notary Public

My commission expires:

9-2009



EXHIBIT "A"

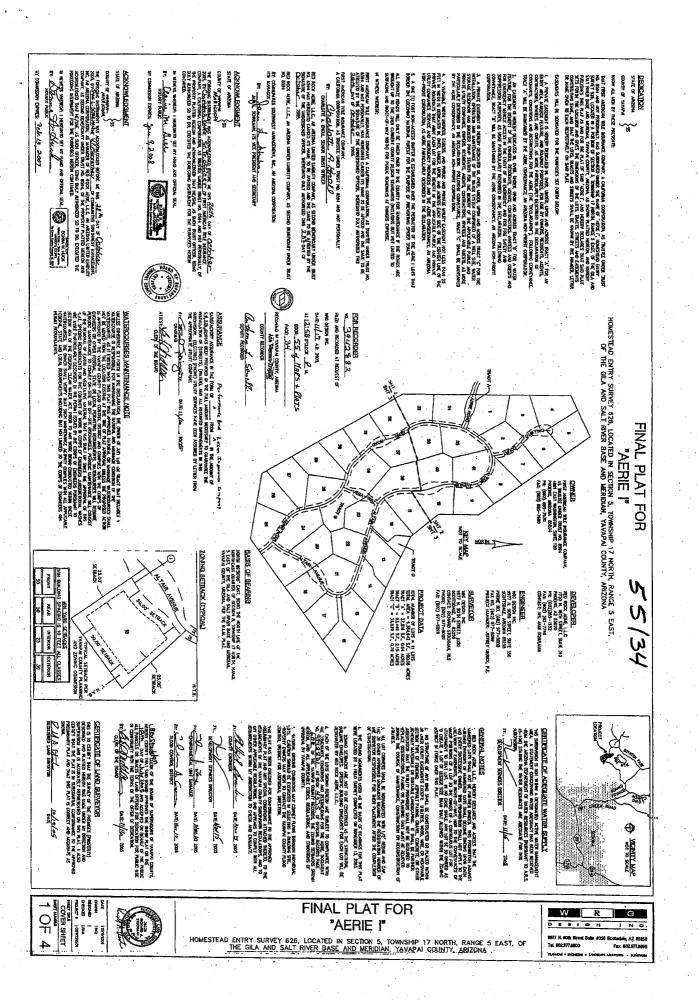
FIRST BENEFICIARY:

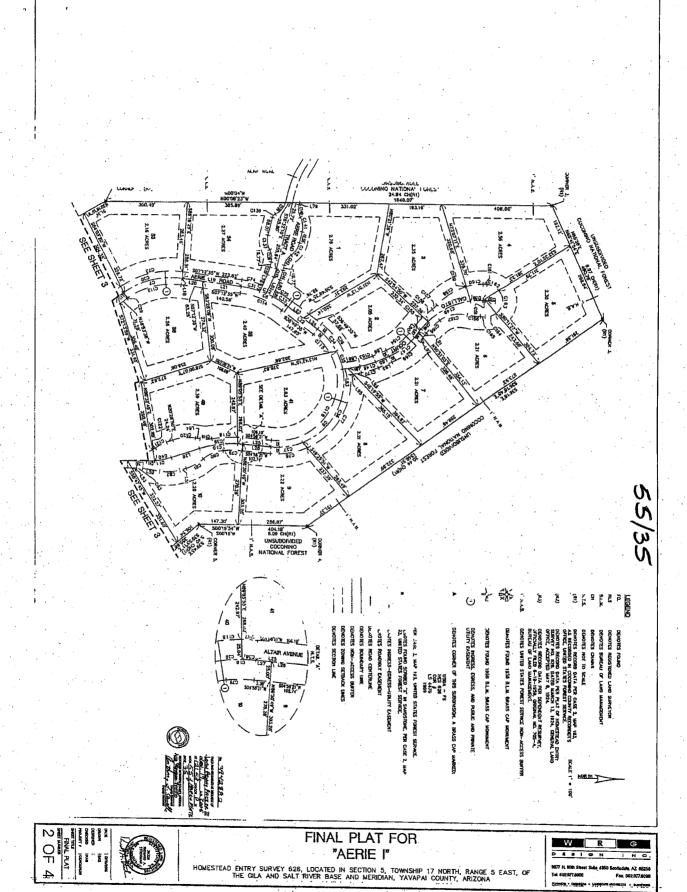
SEDONA TREE FARM LLLP; SEDONA RED ROCK LAND LLLP and PEGASUS NUMERO DOS LLC
C/O SDI INC
15770 North Greenway/Hayden Loop
Suite 104
Scottsdale, AZ 85260
480-348-7450
480-348-7459 Fax

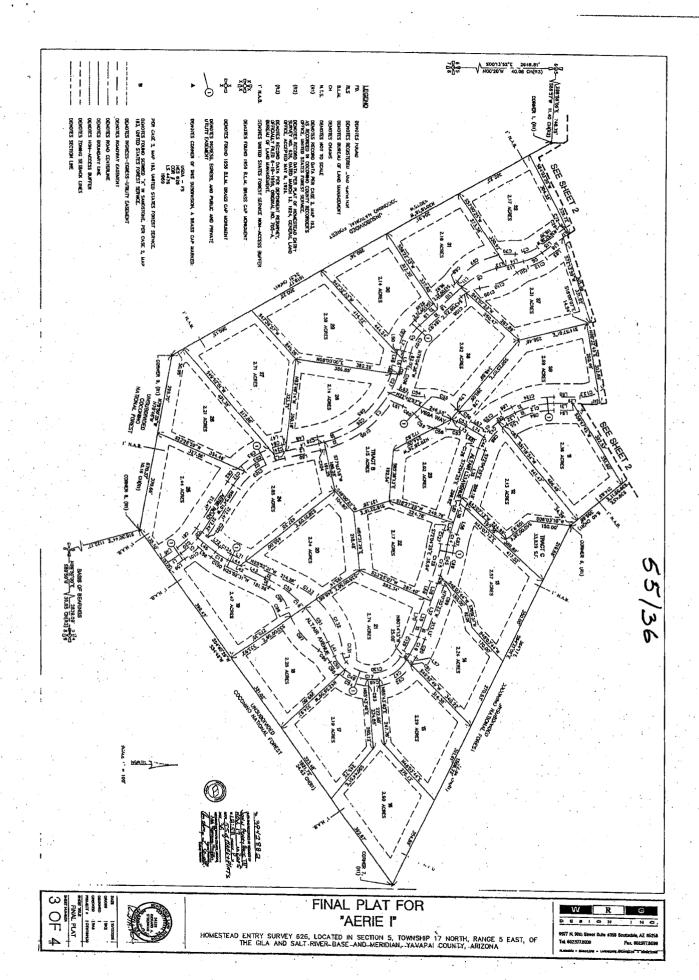
14770 N GREENWAY HAYDEN LOOP 104 SCOTTSDALE, AZ 85260

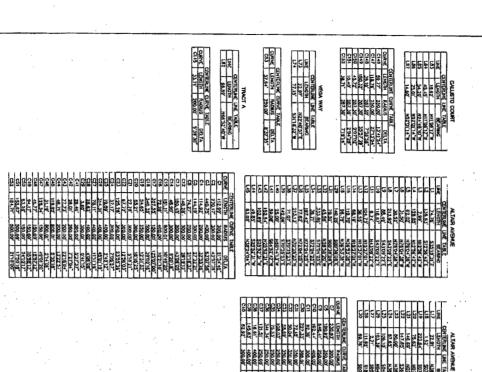
SECOND BENEFICIARY

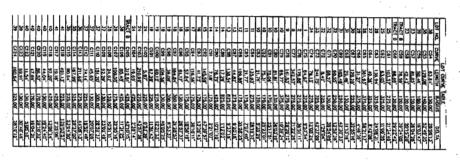
RED ROCK AERIE, LLC 7001 North Scottsdale Road Suite 1015 Scottsdale, AZ 85253 480-315-2600 480-315-2699 Fax

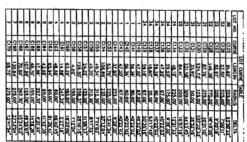




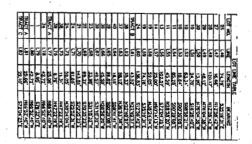


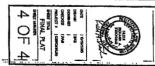












FINAL PLAT FOR "AERIE I"

HOMESTEAD ENTRY SURVEY 826, LOCATED IN SECTION 5, TOWNSHIP 17 MORTH, RANGE 5 EAST, OF THE GLA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA



EXHIBIT B

142-07

YAVAPAI COUNTY

5607710440.

Development Services

Prescott -(928) 771-3214 Fax; (928) 771-3443 Cottonwood - (928) 639-8151 Fax: (928) 639-8153



Flood Control District

Prescott ‡ (928) 771-3197 Fax: (928) 771-3427 Cottonwolod - (928) 639-8151 Fax: (928) 639-8118

500 S. Marina Street, Prescott, AZ 86303 and 10 S. 6th Street, Cottdnwood, AZ 86326

Addressing - Building Safety - Customer Service & Permitting - Environmental - Flood Control District - Land Use - Planning & Design Review

CERTIFICATE OF APPROVAL TO OPERATE WATER FACILITIES

Y. C. D. S.-E.U. File No: 2004-9000 System Name: The Aerie Conservancy System Owner/Address: The Aerie Conservancy, 7720 N. 16th St. #310, Phoenix, AZ 85020 Project Name: Aerie 1 Project Owner/Address: Red Rock Aerie LLC, 7720 N. 16th St. #310, Phoenix, AZ 85020 Project Location: Sedona, Arizona Project Description: Extend water distribution system to serve Aerie 1, lots 1-41 inclusive. The well, storage tanks and booster pump station was approved by ADEQ-NRO for construction on May 19, 2005.

Approval to operate the above-described facilities (as represented in the approved plan documents on file with the Yayapai County Development Services-Environmental Unit) is hereby given, subject to the following provisions:

- Approval is based on the "As -Built" drawings and Engineer's Certificate of Completion signed and dated 06/22/2007 by Arthur H Beckwith, PE.
- System must have an agreement with an appropriate Certified Operator for system operation.
- This approval does not supersede or eliminate the necessity of obtaining permits or approvals from other county, state or federal agencies or departments.
- Issuance of this "Approval to Operate" does not authorize construction in any County, Town, City or State road rightsof-way for this project. A separate permit may be required. Please contact the regulatory highway department for this permit.

State law, A.R.S. 49-104, B.10, requires that the operation of the project must be in accordance with the rules and regulations of the Arizona Department of Environmental Quality.

Meek. RS Manager

Environmental Unit

CC:

Y.C.D.S.-E.U. FILE Design Engineer Project Owner System Owner